

McDONALD'S CORPORATION

18,000 (Maximum) Additional Shares Of Common Stock To Be Issued In Exchange For The Capital Stock Of Thana, Inc.

Number of Shares of Common Stock Issued and Outstanding as of September 4, 1974 39,895,455	Number of Common Stockholders of Record as of September 4, 1974 21,710
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DESCRIPTION OF TRANSACTION

Pursuant to an Agreement and Plan of Reorganization dated July 1, 1974 between McDonald's Corporation ("the Company") and Chris Boulos, Katherine Boulos and C. Gus Papageorge, the stockholders of Thana, Inc. hereinafter collectively called "Stockholders", the Company acquired all of the capital stock of Thana, Inc.

The consideration to be paid by the Company pursuant to the Agreement consists of a number of shares of its common stock determined by dividing \$635,000 (plus or minus certain amounts as provided in the Agreement) by 53.3875.

The Company will retain 10% of the shares of stock so issued, in escrow for two years to secure it against any breach by the stockholders of any warranty, representation or agreement made by them in connection with the transaction described herein. The Stockholders will be entitled to receive all dividends and other distributions on, and to exercise all voting rights with respect to the shares so retained in escrow. Shares not distributed shall be cancelled.

Included in Exhibit A hereto is a brief description of the history and business of Thana, Inc. and in Exhibit B hereto the recent financial statements of Thana, Inc.

PURPOSE OF ACQUISITION

The Company believes that the acquisition is desirable because it will enable the Company to operate directly, rather than through a licensee, a McDonald's restaurant whose proximity makes possible more economical and efficient operation.

Prior to the commencement of negotiations in connection with the transaction, the Company, through certain of its officers, employees, and agents, investigated the financial condition, properties management and markets of the acquired business and the value of the stock and assets which were to be acquired. The Agreement was entered into as a result of arms-length negotiations. The purchase price agreed upon was based upon the underlying value of the assets and earning power of the acquired business. No officer, director or principal stockholder of the Company or any of its subsidiaries, had any direct or indirect beneficial interest in any of the stock or assets being acquired.

For accounting purposes, the acquisition will be treated as a pooling of interests. Such accounting treatment has been reviewed and approved by Arthur Young & Company, the Company's independent Certified Public Accountants, as being in accordance with generally accepted accounting principles.

RECENT DEVELOPMENTS

Since the latest annual report of the Company, there have been no important developments affecting the Company or its business which have not received publicity.

AUTHORITY FOR ISSUANCE

The Board of Directors of the Company approved and ratified the terms of the Agreement for the acquisition and authorized the issuance of the Common Stock payable in connection therewith on April 25, 1974.

OPINION OF COUNSEL

Mr. Donald P. Horwitz, 2111 Enco Drive, Oak Brook, Illinois 60521, General Counsel of the Company, has given his opinion to the effect that: (1) the issuance of the shares of Common Stock of the Company in connection with the acquisition described above has been duly authorized; (2) when delivered either at closing or thereafter in connection with the aforesaid acquisitions, the shares of Common Stock of the company will be validly issued, fully paid and non-assessable; and no personal liability will attach to the holding of such shares under the existing statutes of Delaware, the State in which the Company is incorporated, or under the existing statutes of Illinois, the state in which the Company's principal office is located; (3) registration of the shares of Common Stock to be issued is not required under the Securities Act of 1933, as amended, because the issuance and delivery of such shares in connection with such acquisition will be in connection with a transaction not involving a public offering under Section 4(2) of such Act; (4) registration of the shares of Common Stock to be issued is not required under the Securities Exchange Act of 1934 because such shares are of a class previously registered under that Act.

McDONALD'S CORPORATION

RICHARD J. BOYLAN

Senior Executive Vice President

The New York Stock Exchange, Inc. hereby authorizes for listing, upon official notice of issuance, the following additional shares of Common Stock without par value, of McDonald's Corporation:

a maximum of 18,000 additional shares of common stock issuable in connection with acquisition of the capital stock of Thana, Inc., making a total of 41,934,402 shares of common stock authorized for listing.

MERLE S. WICK, *Vice President*
Division of Stock List

JAMES J. NEEDHAM, *Chairman of the Board*
New York Stock Exchange, Inc.

EXHIBITS

EXHIBIT A

HISTORY AND BUSINESS OF THANA, INC.

Thana, Inc. owns and operates a McDonald's restaurant in DeKalb, Illinois. It also owns real estate adjacent to the restaurant property, a portion of which is used for additional parking to service the McDonald's restaurant.

EXHIBIT B

I, Chris Boulos, President of Thana, Inc., a Delaware corporation, hereby certify that I have examined the accompanying balance sheet of said company as of April 30, 1974 and the Statement of Income for the period ended April 30, 1974 and in my opinion, said statements present fairly the financial position of said company on April 30, 1974 and the results of its operations for the period indicated, in accordance with generally accepted accounting principles applied on a consistent basis.

CHRIS BOULOS
President

July 1, 1974
DeKalb, Illinois

THANA, INC.

BALANCE SHEET

(Unaudited)

April 30, 1974

ASSETS

Current Assets

Cash and certificates of deposit	\$117,000
Inventories	5,556
Investments	72,030
Notes receivable	15,000
Total current assets	<u>209,876</u>

Property, plant and equipment

Land	22,525
Land-farm	31,500
Leasehold improvements	48,855
Farm improvements	49,500
Equipment and automobiles	138,750
	<u>291,130</u>
Less accumulated depreciation and amortization	<u>122,832</u>
Net property, plant and equipment	<u>168,298</u>

Total assets	<u><u>\$378,174</u></u>
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NOTE: Subsequent to April 30, 1974, Thana, Inc. exchanged certain real estate (Land, Land-farm and Farm improvements) for real estate owned by two of its shareholders. The acquired real estate is adjacent to the McDonald's restaurant operated by Thana, Inc. a portion of which is used for additional parking.

THANA, INC.

BALANCE SHEET

(Unaudited)

April 30, 1974

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Loans payable—banks	\$ 7,000
Accounts payable	132,528
Income taxes payable	9,541
Accrued liabilities	5,913
Total current liabilities	<u>154,982</u>

Long-term debt

Mortgage payable—farm land	11,000
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Stockholders' equity

Capital stock	30,000
Retained earnings	<u>182,192</u>
Total stockholders' equity	<u>212,192</u>

Total liabilities and stockholders' equity	<u><u>\$378,174</u></u>
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THANA, INC.

INCOME STATEMENT

(Unaudited)

Year Ended April 30, 1974

Revenues:

Net sales	\$986,827
Other income	7,721
	<u>994,548</u>

Costs and Expenses:

Food and paper	431,507
Payroll	280,269
Rent	88,221
Other operating expenses	160,983
	<u>960,980</u>

Income before income taxes 33,568

Provision for income taxes 9,541

Net income \$ 24,027

